

VZCZCXRO2765

OO RUEHAG RUEHAST RUEHDA RUEHDBU RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA  
RUEHLN RUEHLZ RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG  
DE RUEHBW #0643/01 1311710  
ZNR UUUUU ZZH  
O 111710Z MAY 07  
FM AMEMBASSY BELGRADE  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0800  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE IMMEDIATE  
RHMFISS/HQ USEUCOM VAIHINGEN GE

UNCLAS SECTION 01 OF 02 BELGRADE 000643

SIPDIS

SIPDIS  
SENSITIVE

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [SR](#)

SUBJECT: COALITION DEAL STRUCK; NO FORMAL WORD YET

¶1. (sbu) Summary: Though there is still no official word, a deal has been struck that will keep Kostunica at the helm of a weak democratic coalition government. The deal and the politics surrounding it have left a pall of fear in political circles and in the population at large, as many saw the DSS's willingness to legitimize the Radical Party as a signal of a return to the Milosevic past. The Ambassador will call the leaders of the new coalition to reinforce our expectations on ICTY, Kosovo, and Euro-Atlantic integration. We recommend our leadership hold off on calls to the new government until it proves its commitment to these things. End summary.

¶2. (sbu) At around 1130 local time, first word began coming in from contacts that DS and DSS had struck a deal to form a government. The DS decision to deal despite DSS's decision to vote the Radical Party into a controlling position in the parliament was reportedly the result of a heated meeting of the DS presidency, during which proponents of a deal complained of intense pressure being put on them by European capitals and others. Following the 7-hour session, local press reported the morning of May 11 that President Tadic had agreed to another round of meetings and had been appointed sole negotiator by the DS presidency. The elements of the deal are virtually identical to the last DSS proposal that came just before DSS voted SRS into parliament, which had been carried in local press. The key elements were retention of Interior by DSS and some sort of power-sharing arrangement for the intelligence service.

¶3. (sbu) The overall mood in the political classes has so far been one of resigned frustration - in most camps, there is tremendous anger over the brinksmanship that was evidenced by both sides and the status-quo deal that was ultimately struck, alongside a feeling that there was no choice but to cohabitate again with a party (DSS) that few believe wants to take Serbia in a positive direction. Anecdotally, the mood in the population is equally dour, a sort of numb fear. There was genuine anger when Nikolic was elected in a Milosevic-era debate, followed by fear that Serbia's leaders may be taking them back to an isolationist past. EU enlargement Commissioner Ollie Rehn probably said it best in comments May 11, noting that "in two days Serbia went backward twenty years."

¶4. (sbu) Though not officially confirmed, the projected make-up of the government will probably be:

DS (13 Ministries including DPM):  
Deputy Prime Minister for European Integration  
Foreign Affairs  
Defense  
Justice  
Finance  
Telecommunications  
Culture  
Agriculture  
Diaspora  
Science

Local Administration  
Social Affairs  
Ecology

DSS/NS (8 ministries including PM):  
Prime Minister  
Interior  
Energy  
Kosovo  
Education  
Trade  
Religion  
Infrastructure

G17 (4 ministries):  
Economy  
Health  
Sports and Youth  
Labor

¶5. (sbu) None of the names of proposed ministers have been announced - in part, we are told, because DS (at least) has still not made decisions about filling their posts. Some of the names that appear fairly certain are: Kostunica as PM; Bozidar Djelic as DPM; Dragan Sutanovac as MoD; Dragan Jovic as MININT; Aca Popovic as Education Minister; Velimir Ilic (from DSS coalition partner Nova Srbija) as Minister for Infrastructure; and Mladjan Dinkic for Economy. Notably, FONMIN has not yet been decided - rumors include presidential advisor Vuk Jeremic and current Serbian Ambassador to the U.S. Ivan Vujacic.

¶6. (sbu) In addition to the deals on ministries, our contacts say DS and DSS have made key compromises on security issues. Notably, the current arrangement would reportedly have the Security Intelligence Agency (BIA) run by a technical head not affiliated with either party (a more cumbersome alternate rumor has BIA being

BELGRADE 00000643 002 OF 002

run in tandem by DS and DSS officials serving consecutive 18-month tours). The deal also includes the creation of a National Security Council, reportedly headed by Tadic as President, the primary function of which would be to serve as an intelligence coordination body, overseeing and directing the activities of BIA, the Military Security Agency (VBA), Military Intelligence Agency (VOA), and the MFA intelligence department (SID).

¶7. (sbu) Other positions of interest: DSS will reportedly keep control of the national public service broadcaster RTS (Aleksander Tijanic); DS will reportedly receive the post of Speaker of Parliament, and will keep the Chief of the General Staff as an employee of MoD.

¶8. (sbu) SRS Deputy Leader Toma Nikolic, meanwhile, appears suspiciously eager to yield his post and assist the transition. He has already announced he will resign his post without debate as soon as 126 MP's call for it (probably by signing on to a petition to that effect), and has said he will hand over the reins to a deputy speaker from DSS so as not to be accused of being obstructionist. He also announced he will call a session of the parliament on Saturday, May 12, to debate the proposal for a new government, and another session will be called on Monday, May 14, to pass a Law on the Government and confirm the new government. Belgrade is electric with speculation about what other concessions SRS may have wrung out of DSS to play such a passive role in this theater.

¶9. (sbu) The Ambassador will call Tadic, Kostunica, and Dinkic as soon as the deal is officially confirmed. He will wish them well, but will reiterate our expectations that this government outperform the last government's poor track record on ICTY cooperation, maintain a stronger commitment to Euro-Atlantic integration, and play a more constructive role on securing a sustainable future for Kosovo and the region.

¶10. (sbu) Given the distasteful way this coalition deal was forced, notably Kostunica's legitimization of the SRS as a tool to wring concessions from DS, we do not believe a call from the

Secretary or the President would send the right message. WE propose

SIPDIS

that such top level calls, if made at all, are better left for a time when a new government has established a new track record.

POLT